

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|----------------------------|---|---------------------|
| PURCHASED WATER ADJUSTMENT |) | |
| FILING OF CUMBERLAND FALLS |) | CASE NO. 2011-00515 |
| HIGHWAY WATER DISTRICT |) | |

O R D E R

On December 22, 2011, Cumberland Falls Highway Water District ("Cumberland Falls") applied for approval to adjust its rates pursuant to the purchased water adjustment procedure.¹

The Commission, having reviewed the record and being sufficiently advised, finds that:

1. Cumberland Falls purchases water from West Laurel Water Association ("West Laurel"), the city of Williamsburg, and the city of Corbin.

2. On May 15, 2006, West Laurel increased its wholesale water rate to Cumberland Falls from \$1.78 per 1,000 gallons to \$3.62 per 1,000 gallons.

3. On December 20, 2011, Cumberland Falls' Board of Commissioners increased the water rates to the water district's customers to reflect the increased cost of purchased water.

4. During the 12 months ending November 30, 2011, Cumberland Falls purchased a total of 33,240,000 gallons of water from West Laurel and sold

¹ KRS 278.015; 807 KAR 5:068.

162,316,200 gallons. The increase in the cost of purchased water is \$61,161.60, resulting in a purchased water adjustment of \$0.38 per 1,000 gallons.

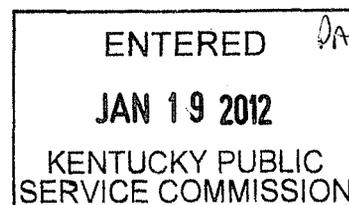
5. Cumberland Falls' proposed rates are fair, just, and reasonable and should be approved.

6. The purchased water adjustment of \$0.38 per 1,000 gallons is fair, just, and reasonable and should be approved.

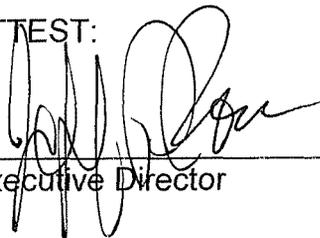
IT IS THEREFORE ORDERED that:

1. Cumberland Falls' proposed rates are approved.
2. The purchased water adjustment of \$0.38 per 1,000 gallons as calculated in Appendix A is approved.
3. The rates in Appendix B are approved for service rendered on or after December 20, 2011.
4. The tariff sheets filed by Cumberland Falls are approved as filed.

By the Commission



ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2011-00515 DATED JAN 19 2012

| | New Rate | Base Rate | |
|-----------------------------------|----------------------|--------------------------|-------------|
| Cumberland Falls Water | | | |
| Purchases in gallons | 33,240,000 | 33,240,000 | |
| Volumetric rate | <u>\$ 3.62/1,000</u> | <u>\$1.78/1,000</u> | |
| | \$120,328.80 | \$ 59,167.20 | |
| | | Increased water cost | \$61,161.60 |
| Increased water cost | | \$ 61,161.60 | |
| Divided by gallons sold | | <u>162,316,200</u> | |
| Purchased water adjustment factor | | \$0.38 per 1,000 gallons | |

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2011-00515 DATED JAN 19 2012

The following rates and charges are prescribed for the customers in the area served by Cumberland Falls Highway Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Monthly Rates

5/8" X 3/4" Meters

| | | |
|-------|---------------|------------------------|
| First | 1,000 Gallons | \$ 17.08 Minimum Bill |
| Over | 1,000 Gallons | 6.88 Per 1,000 Gallons |

1" Meters

| | | |
|-------|---------------|------------------------|
| First | 5,000 Gallons | \$ 44.60 Minimum Bill |
| Over | 5,000 Gallons | 6.88 Per 1,000 Gallons |

2" Meters

| | | |
|-------|----------------|------------------------|
| First | 25,000 Gallons | \$ 182.20 Minimum Bill |
| Over | 25,000 Gallons | 6.88 Per 1,000 Gallons |

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